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## **Declaration**

I, Inger Kristine Sørvig, declare that this thesis is a result of my research investigations and findings. Sources of information other than my own have been acknowledged and a reference list has been appended. This work has not been previously submitted to any other university for award of any type of academic degree.

Signature.....

Date.....



*To Sami*



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## **Abstract**

The last few years the UN has witnessed an increase in criticisms regarding their interactions in Somalia. The criticisms need to be coupled with the broadened understanding and activities of peace-building, and the integration of development as part of this venture. In an attempt to meet these criticisms, the UN has developed an accountability framework which they seek to adhere to.

Further, UN's development agency for Somalia (UNDP) has, due to the security situation in Somalia's capital Mogadishu, had to withdraw their staff and now manage their implementing partner businesses and organizations from their safe offices in Nairobi. The study seeks to explore the risks and implication related to this mode of operation and takes use of existing literature which is critical to the liberal peace-building project to identify potential consequences of their contract-related interference in Mogadishu.

An understanding of the implications of UNDP's contracting has been advanced by comparing and contrasting the insights and perceptions obtained from various actors involved with their activities in Mogadishu. The study argues that UNDP have a limited control over the risks related to their contracts and the outcome of their projects, as well as of the implications of the way they interact in Mogadishu. Findings suggest there is limited competition for the contracts when they are played out in the Mogadishu context which works to favor the big actors; that there are big benefits and powers in being contracted which can potentially influence the position of the contracted actor; and further that there is a lack of transparency into UNDP's contracted partners which have implications for local Somali's perception of the agency. Moreover, control over the implementation, quality and impact of the projects is suggested to be put at stake by UNDP's lack of presence on the ground as well as control over who is benefiting from their finances. The findings indicate that there are risks that UNDP's projects will have damaging effect where they are implemented, that actors will take advantage of their funding for their own benefit and that UNDP's contract-related interface in Mogadishu have implications for their accountability towards the Somali recipients and for the perception local Somalis have of the agency and their work.

The thesis concludes that UNDP's mechanisms fail to produce a controlled outcome along the lines of their accountability framework.



**Contents**

- 1. Introduction..... 1**
- 2. Development as a tool for peace-building and related critiques..... 8**
  - 2.1 Institutional deficits ..... 9
  - 2.2 Potential negative effects..... 11
  - 2.3 Accountability deficit ..... 13
  - 2.4 Political economy critique ..... 16
- 3. Methodology and field work ..... 20**
  - 3.1 Qualitative research ..... 20
  - 3.2 Execution of field work ..... 21
  - 3.3 Limitations..... 24
- 4. UNDP’s interface in Mogadishu ..... 26**
  - 4.1 UNDP’s contracts played out in the Mogadishu context ..... 26
    - 4.2.1 Limited competition ..... 27
    - 4.2.2 Benefits and powers of being contracted ..... 31
    - 4.2.3 Lack of transparency ..... 33
  - 4.2 Stakes by UNDP’s lack of presence ..... 36
    - 4.2.1 Quality control..... 36
    - 4.2.2 Financial control and transparency ..... 39
  - 4.3 Risks and implications of UNDP’s contracting..... 44
- 5. Conclusion ..... 48**



## 1. Introduction

*“Ever since the Cold War, Somalia has been an ‘accountability-free zone’, with donors, businesses, aid agencies and freebooters playing out their agendas, and with plenty of self-interested Somali gatekeepers willing to indulge them. Words like ‘accountability’ and ‘end to impunity’ have now entered the vocabulary of international discourse. Yet measures to enforce these calls are still weak, and much work needs to be done to move beyond statements of principle”(Collier 2007)*

This claim, made by a worker for Oxfam, suggests that various interests are played out in the Somali conflict and further questions whether international actors’ adherence to principles like accountability is more than merely rhetoric. This study hopes to provide insights which can contribute towards answering questions like these.

The loss of humanitarian space in Somalia has forced United Nations Development Program (UNDP) to withdraw their personnel from Mogadishu to the safety of Nairobi, Kenya and adjust their strategy to “remote management”. This means that they contract partner organizations and businesses to implement their projects in Mogadishu, and manage their activities from the agency’s offices in Nairobi (Bradbury 2010). Despite UNDP’s lack of presence in Mogadishu, the agency received increased amount of funding in the years following its withdrawal (United Nations Development Program Somalia 2011). At the same time, the years after 2006 have seen an escalation of violent conflict in Somalia (Bradbury 2010):7), leading to questioning of the effectiveness of international assistance and even allegations that international aid have come in the wrong hands and worked to fuel the conflict (Bryden 2010). It is against this background that UNDP has developed an accountability framework (Group 2010) which underscores their commitment to results, risk based management and accountability towards their project beneficiaries.

Moreover, a growing body of academic literature have also emerged which is critical to the current peace-building paradigm. Questions are raised regarding the effectiveness of the liberal peace project when introduced into areas without functioning institutions to manage the inherent consequences of the implementations (Paris 2004). It has also been identified, and growing awareness has emerged, regarding the potential negative effects of foreign aid. Suggestions have been made that aid projects will interfere with the social structures where it is implemented and if applied carelessly it can work to boost local conflicts (Anderson 1999). Other lines of critiques relates to the lack of proper scrutiny of the work done by humanitarian actors and the limited accountability towards the recipients (Hancock 1989). Literature on political economy of conflicts suggest that one need to understand that there are people who benefit from the conflict situation and this is why some conflicts persist. The argument goes that there are big personal gains related to war for some of the actors in it which creates incentives for prolonging the conflict (Keen 1998).

The literature all suggest that there are risks and implications involved in peace-building operations; related to the effectiveness and outcome of the projects, the accountability of the work done and related to the actors involved and benefiting from the venture.

Research on the role of post-conflict assistance into the political economy of conflict also suggest that it is not the amount of money spent that matters for the success of a recovery project, but the manner in which it is spent; through which actors, in what sectors and by the use of which modalities (Barakat 2009). The modality UNDP take use of is contracting and research into their contracting in Mogadishu therefore hopes to make contributing insights into the risks and implications of this activity.

### ***Problem statement and research objective***

The channeling of resources into insecure zones of conflict where the acute constraints on the humanitarian access make it inevitable to rely on contracting of private sector businesses or local NGOs and limit the ability to monitor their work, is likely to offer vast risks regarding the outcome and effectiveness of the development assistance.

The overall aim of this research is to explore the risks and implications related to UNDP Somalia's contracting in Mogadishu. Literature providing critical insights into the current peace-building paradigm as well as literature on the political economy of conflict will identify potential risks and implications of the venture and provide the backdrop of analysis in this thesis.

With this aim in mind, the research will seek to answer the following research questions:

- 1. How are UNDP's contracts played out in the Mogadishu context?**
- 2. In relation to these contracts, what is put at stake by UNDP's inability to be present on the ground?**

## ***Background***

After the ineffective United Nations (UN) missions in Somalia from 1992-1995 (UNOSOM I, and –II), the UN reduced their activities aiming to focus on humanitarian issues. UNDP has nevertheless been of the main UN agencies operating there, but were forced to relocate all of their staff to Nairobi, Kenya in 2006, due to the diminishing humanitarian access in Mogadishu (Moller 2009):23). UNDP now manage their implementing partner organizations and businesses in their implementation of UNDP's development projects from the safety of their offices in Nairobi. Engagement in economic activity with the Somali business community through organizations and business partners has therefore become an integral part of UNDP Somalia's operations (Report 2008).

There are however, financial as well as strategic risks associated with this and the expansion of aid pulled into Somalia is likely to further enhance the risk associated with relying on local business men and NGOs in UNDP's operations (Report 2008). An inherent challenge met by external humanitarian agencies attempting to operate in collapsed states, is finding reliable local partners to work with (Juma and Suhrke 2002):155). The lack of a functioning government and modern institutions not only makes it hard to follow up contracts and those



who do not adhere to them, it also means that there are no formal registers to even validate the existence of companies or organizations. UN agencies, being used to dealing primarily with governmental institutions are therefore confronted with large problems(Juma and Suhrke 2002)p155).

Further, the Somali business model, consisting of a complex network based and guided on a mix between clan, political and business relations can make it hard to know who you are dealing with. To make it even harder for outsiders to grasp, these relations are rarely fixed but change constantly. As there is no fixed system, the relations may also overlap; business relations will sometimes be preferred to clan relations and vice versa. Creation of new companies and shifting front men of companies is also common among Somali business men as part of a “shell game” which disguise the people within the company. This way of operating among Somali business men is made even more problematic by a business structure that entails expanding ownership of companies small and wide. This is done to enhance the security of the companies by diverting the risk. It also works to determine to what extent the partners can be trusted and raises valuable capital through the many partners involved (Report I)<sup>1</sup>.

This ever expanding “shell game” also involves the NGO sector. An old legacy from UNOSOM where former well educated and skilled businessmen were preferred partners for international NGOs as well as the United Nations and formed their own NGOs as a way of expanding is a practice that still goes on today. ”NGO contracts are important, and many Mogadishu based firms have a façade NGO representing them in Nairobi in order to get contracts and support from the international sector”, recent research suggest (Hansen 2007)53).

The difficulties related to UNDP’s operational environment and their contracting is further added to by the highly politicized nature of UNDP’s mandate in Mogadishu. Donor government’s preferences to support the TFG and program in TFG-controlled areas, and to limit dialogue with opposing part Al-Shabaab who control large areas where the humanitarian needs are the biggest, make operations in Mogadishu challenging in nature (Egeland 2011). In the view of many aid workers however, the erosion of humanitarian space and the many

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<sup>1</sup> For further information regarding the organization of business men in Mogadishu, see Hansen 2007:56

operational constraints they face, have direct links with the international community's preoccupation with restoring a government in Somalia (Bradbury 2010).

The use of check points by the warring parties to demarcate zones of control and raise revenue from humanitarian assistance delivered there, also pose problems of operating there (Bradbury 2010). The US and other UN member states have officially listed Al-Shabaab as a terrorist organization and despite the organization's control over most part of south-central Somalia, US domestic legislation and policies sanctioned through agreements with the humanitarian organizations they fund, ban any engagement with Al-Shabaab and forbid any material support of the organization (Egeland 2011). This means that there are large areas of Mogadishu where UNDP are not allowed to implement and also areas through which they are restricted to transport through because of check points.

The insecure environment and the diminishing humanitarian space result in difficulties for impairing the ability to monitor projects and aid effectiveness in Mogadishu (Egeland 2011). Through their accountability system, UNDP nevertheless pursue to "place accountability and transparency at the forefront of their activities" as they are "accountable to programme countries, including project beneficiaries". Furthermore, the accountability framework is supposed to accentuate UNDP's commitment to "results and risk-based performance management, as well as the shared values and culture of accountability and transparency (Executive Board of the United Nations Development Programme 2008).

### ***Outline of thesis***

The thesis will start off with a brief presentation of the emergence of the current peace-building paradigm which has come to include development as a tool for peace-building. The chapter will continue by proposing lines of literature which are critical to the use of development as a tool for peace-building as well as recent literature on the political economy of conflict with the aim of pointing to potential risks and implications of UNDP's contracting in Mogadishu.

The next chapter will outline the methods of the field work conducted for the research before the following chapter will offer an analysis of the findings. The first part of this chapter will present findings related to how UNDP's contracts are played out in the Mogadishu context and the next one will concern what is put at stake by UNDP's lack of presence in Mogadishu.

The findings will be brought together in the last section of this chapter to suggest what the risks and implications are of UNDP's contracting in Mogadishu.

The thesis will conclude that UNDP have a limited control over the outcome and implications of their contract-related interface in Mogadishu and that their mechanisms fail to produce the controlled outcomes suggested in their accountability framework.



## **2. Development as a tool for peace-building and related critiques**

The introduction of development as part of the peace-building project needs to be understood in relation with the dominant understanding of civil wars. Economic statistical analysis explaining the cause of conflict, often associated with the works of Collier and Hoeffler (Collier 1998), gained prominence from mid the 1990s. The quantitative analyses claimed to put forward the factors that caused war, and argued greed and opportunity to be the main influences leading to conflict. Their work was later criticized based on their methodology (for more see (Collier and Hoeffler 2000) and (Fearon 2003) ), but their contribution marked a start of a rational approach to the understanding of civil wars. The rational economic analysis would lead way for an emerging optimism that something could be done with these insights to prevent and end conflicts and the World Bank took use of the statistics when they famously claimed that “conflict is development in reverse” and with that introduced the idea of development as vital to hinder new conflicts. Moreover, war became viewed much as a consequence of underdevelopment and development was seen to serve as conflict prevention (Duffield 2001).

The best response to conflict has as such been commonly agreed among NGOs and the UN to consist of a speedy transition from wartime relief to the introduction of development, often before the conflict has actually ended. Rehabilitation, reconstruction, repatriation and resettlement have been buzz words perceived as vital achievements in the peace building project (Keen 1998). A growing body of literature has however emerged which is, for different reasons, critical to the use of development as a tool for peace-building. This chapter will take use of the insights from this literature to identify potential risks and implications UNDP’s contract related activities in Mogadishu.

## 2.1 Institutional deficits

One group of academic writers, not necessarily critical to the use of development as a tool for peace-building *per se*, advocates the need of functioning institutions in order for the implementation of peace-building projects to be successful.

Roland Paris approaches the many problems of what he terms “the liberalist attempts of building peace” in his book “At War’s End, Building Peace after Civil Conflict” (Paris 2004). In this book he argues that the introduction of liberalist measures and marketization, meant to build peace, can have destabilizing effects when introduced in states without proper institutions. The process of liberalization, and with that introduction of market oriented economic models, he argues, is inherently tumultuous as it invites to competition and will, when introduced into war shattered states without institutions capable of managing these destabilizing effects, undermine the prospects for peace. Paris concludes that in order to ensure that liberalization does not endanger the very peace it is supposed to build, one needs institutionalization before liberalization.

Even though Paris addresses liberal peace-building measures implemented *after* the end of a civil conflict, he bases his argument on the lack of functioning institutions, which is an important feature of the Mogadishu environment. The risks Paris identifies stem as such from a lack of institutions to handle the competitive nature of liberalist market-oriented projects. According to his line of arguments, the peace-building venture stand at risk of failing when the institutions supposed to manage the competitive nature of its measures do not work properly or do not exist. In UNDP’s case, and related to their contracting, Paris’ insights would imply risks related to the competition for their contracts in Mogadishu and problems of ensuring fair competition for them. The lack of institutions to manage the competition will potentially have destabilizing effects on the local situation and threaten the peace the UNDP, among others, work for.

In his “Comment on Norwegian Development Strategy”(Collier), Paul Collier also relates the problems with implementation of aid in war-shattered areas to the lack of functioning institutions. He argues that there can be difficulties involved with delivering services in complex environments where the local government cannot be trusted to work effectively. Furthermore he argues that in instances where there is a need to take use of alternative mechanisms for service delivery, as is the case for UNDP in Mogadishu, one need to build proper institutions to ensure the disbursement and evaluation of these alternative channels.

The building of an institution he calls Independent Service Authority (ISA)(for more on the ISA see(Collier 2007)), rather than to treat the delivery of services in such environments in an ad hoc way, will overcome the problems related to the non-functioning local institutions. The idea of the ISA which Collier proposed is, as Stig Hansen recognizes (Hansen 2008), to protect the deliverance of services from patrimony and corruption which has been a common problem where lack of functioning institutions means that the control over the deliverance of the project is put at stake.

Paris and Collier do as such recognize that it can be problematic to introduce peace-building projects in environments where there is an absence of functioning institutions and identify that this will pose a threat for the peace-building venture and as such put the prospects for peace at risk. They do however show a narrow understanding of institutions in their arguments, focusing on the governmental and other formal institutions.

Sultan Barakat and Margareth Chard take the institutional argument a bit further and make valuable contributions to the literature when they recognize that war-torn societies face two challenging institutional deficits. The first deficit relates to the damage the conflict and violence has done to the country's social relations which may result in fragility in all its institutions, from family to government, with the obvious effect of leaving a human resource gap related to the transfer of knowledge and organizational culture. The other deficit, they argue, and which is less tangible, is the loss of trust in human relations and confidence in planning for the future (Barakat 2002)page 826). The authors as such make important contributions by recognizing that other, more informal, institutions also stand at risk of being damaged from war and that this too will have implications for the implementation of aid. They do not however go further into the effects aid can have when implemented into these local communities without functioning institutions. Again, the focus is on the implications the institutional deficit means for the prospects of success for the implemented project and not on the potential negative consequences.

These institutional focused lines of literature as such do not to fully comprehend, or they do not address at least, the full effects aid can when implemented into local contexts without functioning institutions. Their focus rest on the problems lack of institutions pose for the implementation of various peace-building measures and the risk this implies for the success of the projects without fully recognizing the potential negative effects aid can have.

## 2.2 Potential negative effects

Important contributions to a fuller picture of the implications aid can have are made by Mary B. Anderson in her book *Do No Harm: How Aid Can Support Peace- or War?* (Anderson 1999). In this book she recognizes that when applied wrong, not only the effectiveness of the aid is put at stake, but aid also stands at risk of having negative effects. Anderson advocates the belief that in some circumstances international assistance can be an important contribution to peace-building, but that aid also stands at risk of affecting the conflict negatively.

She further emphasizes the importance of how aid is implemented and argues that carelessly applied aid can and will boost damaging resource transfers and may work to disempower the local people from being in charge of their own destinies. Moreover, Anderson highlights that when aid is applied wrong, it stands at risk of reinforcing divisions among contending groups in the recipient society. She further advocates for aid agencies' staff to start taking responsibility for how the aid is implemented (Anderson 1999).

When applied to the case of UNDP's contracts in Mogadishu, Anderson's line of arguments suggest that they stand at risk of becoming part of damaging resource transfers if not issued with care and knowledge of the local context. Furthermore, the contracts and the projects which the UNDP contract to be implemented stand at risk of reinforcing divisions in the local community where they are issued. In addition, UNDP's remote management from Nairobi implies that they have to give up control over how their projects are implemented, which Anderson calls aid agency's staff to take responsibility for. The control over the potential negative effects related to UNDP's contracts and projects are as such, following Anderson, further put at stake by their remote management.

Although Anderson makes important contributions to the understanding of the potential effects aid can have when implemented into war-torn societies, it still remains unclear what are the mechanisms that cause these outcomes. A thorough appreciation of this will be important in any attempt to diminish the risks related to the implementation of foreign assistance.

One such mechanism is to a certain extent addressed in a World Bank report by Per Egil Wam on "Conflict in Somalia: Drivers and Dynamics" (Wam 2005). The report concerns the issue of providing aid assistance in zones of conflict, and advocates the need to consider aid's potential impact on the conflict environment in order to ensure that the intervention does not contribute to conflict escalation, but rather to conflict de-escalation. On the link between



conflict and aid interventions, the report says that “indirect linkages are an important part of the picture, and the linkages are often mediated by complex social structures”. By this the report importantly highlights the importance of understanding the social context to which the aid is infused in order to control the impact the implementation has on the local conflict. The insight as such suggests that there is a need to understand the social structure to which UNDP issue their contracts and also to which the contracted projects are implemented in order to control and ensure that their intervention in Mogadishu do not work to escalate the conflict.

The report further put forward the example of an education project. The argument goes that although the project may have succeeded in educating students to pass exams, if the majority of the students represent one group of the local society, the project stand in danger of having aggravated tensions between different groups. A perception, the author importantly recognize, among the local population that one group is privileged over another is likely to cause intergroup hostility. At the same time, the quite contrary may also be true, the report propose. A project may fail to educate their students to be able to pass their exams, but, through creating a constructive environment which encompasses students from different groups of society, it may contribute to reduce tensions among these groups. This can be done by decreasing commonplace misconceptions and stereotyping they have of each other (Wam 2005). The report as such contributes with important insights into one mechanism which can cause aid to support war, and also importantly brings in an understanding that perception among the recipients of aid matters.

Further, the report argues that as some normally preferred programs and designs can potentially have negative impact on the conflict and need to be replaced, this attention to conflict sensitivity as the report call it, may lead aid practitioners to work in alternative and unusual ways. UNDP’s use of remote management, involving a transfer of the control over the implementation of their projects to other actors, and with limited ability to monitor the implementation and impact, as such implies great risk related to the control over the potential negative effects of their projects.

Anderson as such adds important insight into how implementation of aid stand at risk of not merely failing to succeed in what it seeks to achieve, but can also have negative effects in the local context where it is applied. One specific mechanism which link aid to damaging effects

was more properly put forward by Wam in a report for the World Bank and the introduction of how the perception among aid's recipients matter was made.

Although the report offers fruitful insights into one such mechanism, further and deeper comprehension of the mechanisms that link the implementation of aid to have damaging effects and to the issue and importance of perception will be useful.

### **2.3 Accountability deficit**

Another line of literature relates their critique of liberal peace-building to the humanitarian actor or the lack of accountability of their activities. Graham Hancock, with his 1991 book "Lords of Poverty" (Hancock 1989) was among the first authors to point a critical eye on the humanitarian industry or "Development Incorporated" as he named it. In this book, Hancock proposes a critique of international aid as being merely a big bureaucracy more concerned with keeping itself going and attracting donor funding than to actually helping the, poor which they claim to do. He further argues that "because their professional field is 'humanitarianism' rather than, say, 'sales', or 'production' or 'engineering', they are rarely required to demonstrate and validate their worth in quantitative, measurable ways", and their achievements are not subject to proper evaluation and scrutiny. Aram Ziai addresses much the same problem as he calls the term 'development' an 'empty signifier' based on the argument that 'development' in practice employs the language to legitimize any intervention as inherently beneficial. By defining a project as a 'peace-building' venture, international actors in the same way presupposes it as valuable and even necessary to local populations without the need of an independent assessment as to whether the project actually is peace-building (Ziai 2007). The humanitarian actors are as such left to "wielding enormous power that is accountable to no one" (Hancock 1989):32-33), Hancock concludes. By pointing a critical eye on the humanitarian sector, Hancock makes essential contributions to the understanding of possible implications of peace-building projects when he points to the inability of many recipients to hold the humanitarian actors accountable.

The huge amounts of funding going in to the liberal peace-building venture and the naïve trust in the humanitarian actors without any mechanisms to evaluate their achievements, is as such suggested to have implications for the accountability of their work. This is perhaps especially so in the case where peace-building projects are implemented into failed states such as

Somalia, where not even the local government is there to hold the actors accountable as is the case for UNDP.

Barakat and Chard also address the problem of accountability when they seek answers to what stands in the way for adopting what is known to be the best practice of peace-building projects (Barakat 2002)page 828). One important explanatory factor, they argue, is that of a donor culture which is fixed towards financial monitoring of the moving of money, rather than the effective use and outcome of money through a more difficult social impact evaluation. The practice is determined by the nature of donor's accountability, they argue, which is fixed towards financial institutions or tax payers, not the beneficiaries. Even though the humanitarian actors are morally accountable to the local recipients for the outcome they produce, in practice the conditions of their accountability is suited to satisfy the ones who control their budgets. Collier too recognizes that the mechanisms used for evaluation can have implications for the accountability of the work done as he argues that recipient governments and their citizens, not the donors, need to evaluate aid projects. He further argues that we need to start thinking of aid projects as vehicles for learning and that "evaluation by the relevant audiences needs to be built into projects from the start"(Collier) in order to make this possible. Hansen, writing on the case of Somalia, also identifies the potential problems related to local scrutiny and accountability and emphasizes the need of a local mechanism for scrutiny. He recognizes that the control with local operations is likely to decline in war-like situations as the security situations makes it hard for the many international NGOs to take use of their standard routines(Hansen 2008)page 25).

The authors as such suggest that it is not merely the uneven relationship between the humanitarian actor and their beneficiaries which cause a accountability deficit, the mechanisms used for monitoring are also fixed towards the moving of the donors finances rather than the impact for the recipients. By this, the authors suggest that UNDP's mechanisms of monitoring their projects will have implications for the control over the impact of the work done, and the accountability towards their recipients.

Hansen further importantly recognizes that one has to be aware that it might be in the interest of certain NGOs to be nice in their scrutiny of an agency which they want to have further

relations with, suggesting that there are further risks involved with relying on external actors for evaluation.

Further, Barakat and Chard address another mechanism which may contribute to the accountability deficit. They describe how international NGOs have a tendency to choose members of the elite as their local partners and streamline them to fit into western standards rather than to adhere to their culture and argue that in this way, the international NGO tends to decide on behalf of the local partner rather than with them and their beneficiaries. This, Barakat and Chard importantly recognizes, harms both the accountability and transparency of the project (Barakat 2002). Hansen is open for international NGOs cooperating with local ones to build local capacity but emphasizes that “scrutinizers should be selected carefully”, that is essential that there is information flow from the local to higher level, and that local critique is emphasized (Hansen 2007):21). Last, but not least, he importantly recognizes that these cannot be located in Nairobi as “institutions in Nairobi arouse widespread skepticism in Somalia” (Hansen 2007):25).

The types of actors UNDP contract and partner with will as such, according to Barakat and Chard, have implications for the accountability and transparency of their projects in Mogadishu. Hansen has also identified that the location of the actors matters as there is a negative perception among common Somalis regarding institutions based in Nairobi.

The literature has as such made contributing insights into the implications uneven relationships between the humanitarian actor and the beneficiaries, the mechanisms used for monitoring and the type and location of partners humanitarian actors choose can have for the accountability and transparency of their work. They have all shown to be relevant to UNDP and their activity of contracting.

Little concern has however been put to the further implications this can have for the projects other than suggestions that that lack of accountability or a perception of it have led to local skepticism of the institutions based in Nairobi.

## 2.4 Political economy critique

Recent literature on conflict and economy has also made critical insights into the potential risks of the liberal peace-venture. This line of literature have emphasized that there are economic functions of civil wars, and argued that one has to comprehend the working of these functions in order to understand why some conflicts sustain. David Keen takes this approach to the understanding of conflict in his book “Economic functions of civil wars” (Keen 1998) where he argues that there is a need to go beyond the understanding of civil war as merely state collapse or failure, and start to ask who benefits from the war and what use it is. He suggest that wars persist not despite people being rational, as has earlier been the commonplace understanding, but namely because of rational decisions made by people who benefit from the situation. Keen further argues that better accounts of the economic agendas in civil wars will possibly lead to improved solutions and effectiveness of international aid (Keen 1998:13).

This line of arguments suggest that there is a risk that international aid, when issued without proper appreciation of the economic agendas in the conflict situation, stand at risk of serving to benefit people who rationally take advantage of the situation and as such work to support an interest in the status quo. In the case of UNDP’s contracting then, the argument suggest that the profit related to these contracts, stand at risk of creating interest in maintaining the difficult environment for UNDP if they work to benefit actors who rationally take advantage of the situation for their own benefit. This positive approach to the economic understanding is as such important as it opens up for the understanding that there are people who benefit from the war-time situation, and further that this has to be taken into consideration when implementing external resources such as contracts.

Along the same lines, Roger Mac Ginty and Andrew Williams argue that it has been commonly recognized that development and reconstruction assistance is a resource which various actors rationally will try and benefit from and maximize their access to. Peter Hoffman and Thomas Weiss also suggest that the implementation of aid into conflict zones effectively leads to an “aid economy” which grows parallel to the war economy. The focus in the aid economy is not to benefit directly from violence, but to take advantage and benefit from foreign aid and humanitarian relief efforts (Hoffman and Weiss 2006). There seem as such to exist a common understanding among writers on conflict and economy that rational

actors will seek to benefit from the implemented aid, and further that the implementation of foreign aid may therefore work to maintain or even fuel the conflict (Mac Ginty and Williams 2009). Without having control over who benefits from the contracts and also how much they benefit, the argument goes, UNDP's finances stand at risk of supporting an interest in the conflict situation.

Michael Maren's observations from his experience with aid work in Somalia suggest that "[D]oing relief and development work in the context of oppression is counterproductive". Much of the increased amount of aid that has gone into Somalia, he asserts, has been directed by local power brokers to further their own ends and benefits (Maren 1997). Although it is commonly recognized that some actors will rationally seek to benefit from the foreign aid, less emphasis is put into identifying the mechanisms that make this possible.

A few reports from Somalia have however addressed some of the mechanisms which enable actors to take advantage of the foreign aid for their own benefit. The UN monitoring group on Somalia (Bryden 2010) published a devastating report on how lack of and inadequate monitoring of the delivery of food from the World Food Program (WFP) ended up being sold on the market for the benefit of local business men. The report further suggested that there were risks related to relying on a few business men as this could have the effect of building them up to yield big powers in Somalia, suggesting that some of UN's contractors were supporting the conflict. Hansen also addressed a related risk when he identified that "many Mogadishu based firms have a façade NGO representing them in Nairobi in order to get contracts/support from the international sector" (Hansen 2007)53). By creating different business and NGOs, actors increase their chances of getting hold of contracts and they are also able to hide behind various "shield" companies if they do not want their identity to be revealed for the international sector.

Further, various reports address the problem with taxes and check-points to assert control and raise revenue in Mogadishu, recognizing the risk that some of the humanitarian assistance will end up in the hands of the warring factions (Bradbury 2010):9).

Some mechanisms have as such been identified which make it possible to take advantage of the finances provided by international actors. Lack of proper monitoring, reliance on a small number of business men, lack of insight into the men behind the businesses as well as control over payments in check points and taxes is, according to this group of literature, suggested to

lead to risk of actors taking advantage of the situation for their own benefit with the potential effect of creating an interest in the conflict.

More empirical insight into these mechanisms as well as understanding of the effects and stakes related to this will however contribute to a more thorough understanding of the risks related to the implementation of international aid.

Drawing on a number of the critiques outlined above, Barakat and Zyck offer noteworthy insights when they address the entry of post-conflict assistance into the political economy of conflict (Barakat 2009). Although the article focuses on post-conflict situations, the argument they propose, based on findings from the review of 11 war-torn countries, might still be relevant to the case of UNDP's interaction in Mogadishu. The findings namely lead the authors to suggest that it is not the amount of donor funding which goes into a recovery process which matters for its success, but the manner in which the assistance is disbursed. They importantly argue that the modalities taken into use and through which actors matters for the success if the recovery(Barakat 2009).

Based on the insights gained from the critical lines of literature outlined above, the field work conducted for this thesis sought to explore risks and implications of the modality which UNDP take in use, that of contracting implementing partners and managing these actors from their offices in Nairobi. The methodology chosen for the research and the execution of the field work will be further addressed in the following chapter.





### **3. Methodology and field work**

The research conducted for this study hoped to illuminate aspects related to the practice of contracting development projects in zones of conflict, with the aim of enhancing the understanding of potential risks and implications of external actors', in this case UNDP's, interaction into complex emergencies. The findings aimed to serve as examples of risks and implications related to how some contract-interactions were played out in the Mogadishu context. With this aim in mind, methodology, design and methods were chosen for the conduction of the field work.

#### **3.1 Qualitative research**

As the goal of the thesis was to gain a multileveled understanding of the possible implication of UNDP's work, a qualitative strategy was chosen. The use of qualitative methods allowed for flexibility in the data collection so that unforeseen aspects of the case could be brought into the research and become part of the further analysis (Bryman 2008). The strategy allowed me to conduct an open-ended research, with an inductive approach to the relationship with theory. This meant that the theory was the outcome of the research, whereby the findings were tested against existing theory(Bryman 2008) page 9. Further, the strategy's flexibility allowed me to be open towards new insights provided by the respondents and to include these new aspects in the continuation of my research. A qualitative strategy was vital in enabling the build-up of a thorough understanding of the specific context of this case.

The research's concern with the complexity and particular nature of a single case, made the choice of a case study design easy as it allowed the conduction of a thorough analysis of the case (Stake 1995). A common critique of the case study design has been focused on the lack of external validity it entails, questioning whether the results can be generalized (Bryman 2008)page 273). My intention is however to examine in depth a particular mechanism (contracting) and the risks and implications of UNDP's use of this in a particular place. As

argued by Yin (Yin 2003) the main concern lies therefore on how good the data supports the theoretical arguments that are produced.

Further, the choice of semi-structured interviews, while having a certain determined direction, allowed for flexibility during the interview process. This kind of interviewing enabled the interview object to elaborate and bring in topics that he/she considered relevant and facilitated for a deeper understanding of the topic (Bryman 2008) 320-321. The flexibility in the interview method would also allow the continuation of the interview, on the respondent's premises when they showed reluctant to answer some questions.

The main criticism of qualitative methods is however the subjective character of the collected data, merely reflecting how the interviewee frame the issue and what he or she thinks to be important (Bryman 2008). The vested interests at play for the different respondents as to how the situation in Somalia was portrayed was considered likely to enhance this subjective character of the findings. The use of several sources of information – so-called “triangulation” – was therefore employed to obtain a more broader perspective, and to increase the objectivity of the study (Verschuren and Doorewaard 2005). Emphasis was also put into assessing the data collected critically and not relying on single sources but to take use of several informants to create a nuanced picture of the situation (Bell 2010).

Finally, in terms of secondary data, I inspected a broad amount of written material on UNDP and their interactions in Mogadishu such as UNDP's own public documents and declarations, newspaper articles, legal documents, reports produced by external monitoring groups as well as historical, political and socio-economic background information.

### **3.2 Execution of field work**

The thesis is mainly a product of a field work conducted in Nairobi, Kenya over the course of three months from November 2010 to January 2011. Due to the security conditions in South Central Somalia, I was unable to travel to Mogadishu to conduct research. Nairobi, being the capital of Kenya which is the neighboring country of Somalia, has however, due to the security environment in the Somali capital, become the center of control for much of the activity that takes place in Mogadishu. UN Somalia agencies, among them UNDP Somalia, have their head offices based in Nairobi. Most NGOs and other civil society organizations operating in Somalia as well as journalists and consultants also have their offices in the

Kenyan capital<sup>2</sup>. Basing my field work in Nairobi therefore allowed me to access and meet people who for different reasons travelled a lot to and from Mogadishu and therefore could inform me of first hand experiences and insights from the Somali capital.

Moreover, Eastleigh, which is known to be the Somali community of Kenya (Oduor 2008), is situated in Nairobi and is known for their looming economic activity. Many Somali business men do business in Eastleigh and/or run their Somali business from there. Representatives from the Mogadishu business community are therefore commuting between Mogadishu and Nairobi, which allowed me to interview also this group of respondents with recent and in-depth insights into the situation in Mogadishu.

Contact was established with people with insights into the international and civilian sectors as well as the Somali community in Nairobi upon my travel there. These people helped facilitate some of my interviews with the UNDP and international as well as Somali NGOs, and assisted me in my interviews with representatives from the Somali business community. In addition, new contacts were established in the process and led me to other informants. Some of the contacts could also provide me with secondary sources of documents which helped guide further research and provided me with deeper insight into the topic. Efforts were constantly made to ensure insights from a wide variety of respondents, representing different angles of the case of study. Interviews were therefore arranged with UNDP workers, contracted business men and NGOs, as well as non-contracted and formerly contracted business men, and external parties with knowledge of the situation but with less interest at stake in their responses. Several of the respondents were NGO workers who had recent experiences with work in Mogadishu and Somali business men normally based in Mogadishu, but with businesses also in Nairobi, making them travel to and forth.

First I needed to find out about UNDPs routines when contracting business men and NGOs in Mogadishu. It proved hard to arrange interviews with UNDP personnel but contact was established and interviews were conducted with four UNDP staff members. The initial plan was to gather information about UNDP partners and contractors from the UNDP office. UNDP were however unwilling to share information regarding their projects, partners or

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<sup>2</sup> NRC, DRC, SAACID, Care, Concern among others.

contractors in Mogadishu as they feared for the security of people associated with UNDP there.

At this stage, the ethical aspects of continuing my research despite UNDP's unwillingness to share their information had to be thought through. It was important for me to respect the work of the UNDP and the challenges and difficulties they meet when operating in Mogadishu. The decision was however made, after thoughtful considerations, to try and find out about UNDP's projects, partners and contractors from other informants. These findings as well as my sources will however be protected by anonymity. Anonymous interviews and use of confidential documents may serve to constrain the research as it makes it harder to verify the findings (Bryman 2008) p513), but based on ethical considerations, the choice was made to protect these where it was considered necessary.

Interviews with several NGO workers with past and ongoing experience from Mogadishu made it possible for me to obtain an overview of most of UNDP's ongoing and recently completed projects as well as some of their partners and contractors. A more thorough overview of the contracted parties was obtained with the help of Somali contacts with informants in Mogadishu. Primary and secondary documents on UNDP's guidelines for contracting were gathered to be compared later against the information obtained from the business men and external sources.

The next step of my research concerned finding out how these contracts were played out in the Mogadishu context. A Somali professor who I had established contact with from the very beginning, who understood the different individuals and representatives within the Somali community with whom I needed to interview for my research, was able to identify more than a dozen key individuals within the business and NGO sector, and helped arrange the meetings and provided me with translation.

Semi-structured interviews with Mogadishu business men and NGOs were conducted to gather insight into the implications of UNDP's contracts in Mogadishu. Both business men and NGOs, with UNDP contracts or who had previously been contracted, as well as business men and NGOs who had not interacted with UNDP were interviewed in order to gather different insights into the situation. The information gathered from these interviews was continuously discussed with so called "externals"; people from other NGOs, parties with professional

experience from Mogadishu and Somali intellectuals with firsthand experience and knowledge of the Somali context, and helped me to get a nuanced insight into how the contracts are played out on the Mogadishu context what was put at stake with UNDP's lack of presence and the risks which are related to this.

The circumstances under which research was done made it important to take some issues into consideration when conducting the interviews. Security concerns of some of the interview objects for instance made it preferable to have the interviews early or in the middle of the day. This way, concerns of having to drive back during dark would not hinder them to come, or rush the interview process. Special attention also had to be taken to the places where the interviews were conducted, to make it convenient for the interview object and to ensure the safety of both the respondent as well as the researcher.

Efforts were made to take eethical considerations at every step of the way as this is extremely important when conducting research that involve people, and perhaps especially when doing a qualitative research which involves more subjective interpretations of the data. Thus, as advocated by Scheyvens et al(Scheyvens and Storey 2003) three vital considerations were always kept in mind during the conduction of the field work; informed consent, confidentiality and consequences, and I made sure that the interview objects were always aware of the nature of the research I was conducting and that they participated voluntarily.

### **3.3 Limitations**

It is important to recognize that there are limitations of not being able to go to the actual field of the study as it is likely to cause constrains to the overall understanding of the situation. Based on discussions with my supervisor regarding Nairobi's central role in much of the business conducted in Mogadishu as well as hosting international and Somali NGOs, meaning I could access a lot of people travelling in and out of the Somali capital, it was nevertheless considered possible to access sufficient information to gain a good understanding of the local context, however in a (more) secure setting, by conducting my field work in Nairobi.

Furthermore, conducting research where the interviewer is external and the necessary use of a translator at times is likely to restrict the objectiveness of a context. Most of the interviewees were indeed skeptical to the use of a recorder so notes taken during the interview as well as memory had to be relied on when transcribing. This may have implications for the correctness of the findings from the interview. Emphasis was however put on transcribing the interviews immediately after they were undertaken to ensure a fresh memory of the manner and context in which things were said.

Another constraint of this research was the inability to follow the contracts from they were issued to the very fulfillment, monitoring and reporting of it. This would possibly give a deeper insight into the implications of UNDP's contracts, but due to restricted access into UNDP's operations as well geographical and timely constrains, this was not attainable. The choice was however made to look into a number of contracts in order to discover multiple risks and implications associated with these, although it was not possible to go into greater detail into all of them. It was still considered fruitful as little research has been done on the topic previously and the discoveries lead to by this research hopefully provide a sound basis for further research.

## **4. UNDP's interface in Mogadishu**

Symptomatic of the findings gathered in this research were the respondent groups' differing emphasis in their accounts of UNDP's contract-related interface in Mogadishu. Most of the business men had an economic approach in their answers, as such reflecting the political economy literature with a focus on the potential benefits and powers in being contracted and the ability, or lack thereof, to get them. The majority of the representatives from NGOs and other "externals" were more worried about the effect the contracts had on the social context where they were played out, as the literatures focusing on the potential damaging effects of aid and accountability suggest. Representatives from UNDP on the other hand, while recognizing to a certain extent the economic and social aspects of the contracts in the Mogadishu context, were more inclined to focus on the difficulties the challenging environment in Mogadishu meant for the agency in their operations, leaning more towards arguments derived from the literature concerned with problems related to the lack of functioning institutions.

The first two sections of this chapter will draw on the respondents' different accounts with the aim to provide nuanced insights to the study's two research objectives; how the contracts are played out in the Mogadishu context, and what is put at stake by UNDP's inability to be on the ground. Points will subsequently be made to the literature outlined in chapter 2 to identify potential risks related to these findings. The findings will be brought together in the last section of the chapter and, backed by literature, suggest the risks and implications related to UNDP's contracting in Mogadishu.

### **4.1 UNDP's contracts played out in the Mogadishu context**

Literature has suggested that issuing contracts in a complex and insecure environment as Mogadishu will pose practical challenges because of the lack of functioning institutions, as well as challenges related to the local impact of the contracts and the projects they are issued

to implement. On this basis, the study sought out to uncover how UNDP's contracts were played out in the Mogadishu context with the further aim to identify the potential risks and implications related to UNDP's activity of contracting there.

Three main findings were made, the first one suggested that there were several factors related to how UNDP's contracts were issued which, when played out in the Mogadishu context, had the effect of limiting the number of actors able to enter the competition for them. Findings also suggested that because of the limited resources in Mogadishu and the big transfer of powers inherent in these contracts, the contracts could influence the financial and social position of the contracted party in Mogadishu. Further, it was found that the security situation in Mogadishu predicated UNDP to take measure to protect the identity of their staff and partners with the effects of a loss of transparency into their tendering process, leaving a perception among local Somalis of UNDP being corrupted.

#### **4.2.1 Limited competition**

A common complaint from the respondent business men related to the competition for the contracts not actually being free when played out in the Mogadishu context.

An interviewed NGO worker recognized the difficulties for UNDP in ensuring that their contracts were competitive and reasoned the argument with a limited ability to advertise for them in the Mogadishu context. This again could make the selection process difficult, he argued, as there were few contractors to choose from and often also weak competencies among the bidders. The ongoing conflict also played a role in making the business community scattered, he explained, which therefore make it easy to rely on a few contractors who have the minimum of competencies needed<sup>3</sup>. A UNDP worker suggested the same when he explained that there were few contractors to choose from and that few were reliable, which made UNDP's work difficult<sup>4</sup>.

As Collier recognizes(Collier), the lack of institutions make it harder to ensure effective delivery of services. In this case, the lack of institutions poses problems both for the advertisement of the projects and it also makes it harder for UNDP to know which actors are reliable as there are no local registers of actors and their track record. The complex situation

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<sup>3</sup> Interview no 2

<sup>4</sup> Interview no 3



in Mogadishu does as such make it problematic to ensure completely free and fair competition and a fully open tendering process, to a certain extent validating these arguments.

A respondent from the business community however claimed that not only were the projects badly advertised for, resulting in a limited awareness, there were also conditions and policies that favored the big business men with access to international bank accounts and with the ability to freeze assets in the process of entering the competition<sup>5</sup>. The interviewed business man had however never been contracted by the UNDP himself and the allegations might therefore reflect a lack of insight into their tendering process or a hostility towards UNDP for not being contracted by them.

An interview with another business-man however revealed that he had tried to procure contracts with UNDP but without success. He was sent from person to person in his attempt to be able to apply and the whole procedure became so time consuming that he had to give it up, he could tell<sup>6</sup>. Yet another business man was also under the impression that a big obstacle to getting a contract was that of the time consumption. You need to have time to go to the UNDP office every day, or have an insider to collect the information and help you out, he said<sup>7</sup>. A business man currently on contract for the UNDP could tell that UNDP had told him that he had to register in Nairobi, which was a costly process. He also said that he would have to have someone to represent his business in Nairobi and that for smaller NGOs, this can be very difficult. “There is now a call to register as a Kenyan NGO as well as in the UN itself, but in order to do this, there are costs related to visas and travelling that favors the big NGOs”, the respondent complained<sup>8</sup>. The insights indicate that it is not only the complex situation in Mogadishu which work to limit the free competition, but also factors related to UNDP’s location in Nairobi that works in favor of the bigger actors with offices or the ability to travel there.

The same concerns were echoed by a respondent who formerly worked as a consultant for the UNDP. He explained that UNDP do publish some tenders, but it is easier for organizations based in Nairobi to get these. He questioned how many Somali NGOs that could come to Nairobi and negotiate to get these contracts or even enter the contest because of the condition

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<sup>5</sup>Interview no 10

<sup>6</sup> Interview no 12

<sup>7</sup> Interview no 12

<sup>8</sup> Interview no 13

of an international bank account. This condition favors a few, he explained, as it in reality means that the opportunities are only given to limited people who have international passport and international bank account. The conditions as such dictate situations that limit the access to these contracts<sup>9</sup>, the respondent importantly recognized.

“As there is no working bank system in Somalia, this means you need one from an international bank, which most Somalis do not have or have the ability to get”, another business man explained<sup>10</sup>. When played out in the Mogadishu context with the limited access to both visas, international bank accounts and UNDP’s offices, the competition for the contracts seem as such to be limited, favoring the bigger international actors.

In an interview with the head of a NGO currently on contract with UNDP, she could confirm the insights as she told that she herself had participated voluntarily in the constitution consortium for many years and therefore built relations with UNDP staff, as such recognizing the importance of access to UNDP’s offices and the right connections. The preconditions of getting contracts, she said, were many. They had to refer to years of experience, their eradication in the Somali context; they had to be registered in a country apart from Somalia, to show their annual report, their last two audit reports as well as references<sup>11</sup>.

The indications made by business men earlier, that there are conditions which work to limit the competition for the contracts when played out in the Mogadishu context seem as such to be confirmed. Both the access to UNDP’s staff and offices in Nairobi, the need to be registered in a country apart from Somalia and have an international bank account limit the ability for smaller Somali NGOs to enter the competition.

External respondents uttered concerns over the limited competition and the consequential tendency the UNDP had of relying on a limited number of contractors. “UNDP need to shift focus to the quality of the work the companies are able to do, rather than to just rely on the old contacts”, one NGO worker argued<sup>12</sup>, suggesting that the accountability towards the intended beneficiaries was being neglected. The concerns are backed by Barakat and Chard (Barakat 2002) as they recognize that international actors, by relying on a few actors which

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<sup>9</sup> Interview no 8

<sup>10</sup> Interview no 10

<sup>11</sup> Interview no 15

<sup>12</sup> Interview no 11

they streamline to fit into their western style and manner of operating and, end up hurting the accountability towards the local recipients.

A business man gave an example that his application was declined because of his English not being good enough. All the projects were given to one NGO, he could relate, rather than to different smaller ones with local knowledge, confirming the NGO worker's concerns and backed by Barakat and Chard's suggestions. He was very upset about this and wanted to go and talk to UNDP to ask them what they thought about making Somalis suffer from drought because the people with the actual ability to help them had bad English<sup>13</sup>.

One NGO worker could also tell about a case in 2007 when one NGO got several contracts from different agencies, using the same project plan, and got a lot of funding without the capacity to fulfill the contracts. This, he said, is only one example of how manipulation is used to get and misuse contracts. He further argued that there is need for more quality control over the NGOs that are contracted and more knowledge of the local context where the NGO is contracted to work. There are reliable Somali NGOs, and it is important to distinguish these from the bad ones, he emphasized. By knowing the local context and doing more quality control rather than relying on a few big ones, problems like the example mentioned above can be avoided<sup>14</sup>.

The case exemplifies how there are potential implications and risks related to the limited competition and consequential reliance on a small number of partners. One possible implication, as Barakat and Chard recognize, relates to the lack of accountability of UNDP's work as a consequence of relying on partners unable to implement the projects.

A risk, backed by Keen's line of arguments (Keen 1998) and also identified by the report produced by the UN monitoring group (Bryden 2010), relates to the limited number of people who are actually able to access the contracts and which therefore find themselves in a position which enables them to make big profits from the contracts with the potential consequence of creating an interest or support the conflict situation.

Further findings related to profits and benefits of being contracted will be the subject of the next section.

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<sup>13</sup>Interview no11

<sup>14</sup> Interview no 7

#### **4.2.2 Benefits and powers of being contracted**

Another commonplace concern among the respondents related to the benefits and powers inherent in being contracted and how this could influence the financial and social position of the contracted party when played out in Mogadishu.

Respondents from Eastleigh Business Committee for example were determined that the contracts were very important for business. Once you got two or three contracts, you could start climbing to a higher class of business, they argued<sup>15</sup>. “You would be able to build new branches or even expand your activities”, one of the respondents explained. “It works like some sort of promotion both socially and economically, and your profit can be the double of what is possible to earn in other businesses”<sup>16</sup>, the respondent continued. Another respondent from the business community claimed that “the ability to put a UNDP project on your company or organization’s cv is essential in future biddings to get projects”<sup>17</sup>.

A formerly contracted business man could further explain that there is great interest in the profit of these contracts as there is not much else to do in Mogadishu than to try and get work for the UN or other international organizations. There are therefore plenty of business men willing to invest their money in these contracts<sup>18</sup>, the respondent explained. There was no doubt among the local business men interviewed that the ability to put a UN project on your company’s CV opened the door for further business and had the potential effect of allowing the business to expand.

The insights gathered from respondents from the business community as such indicate that UNDP’s contracts are perceived to be important sources of income when played out in an environment with limited business opportunities such as Mogadishu. The impression expressed by the local business men are backed up by Hoffman and Weiss (Hoffman and Weiss 2006) and their idea of an aid economy which people are eager to take part of.

Moreover, the head of one of the most successful NGOs operating in Somalia and Mogadishu expressed concerns with the transfer of power inherent in the contracts and the favorable position the contracted business men or NGOs get in the local community<sup>19</sup>. The respondent

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<sup>15</sup> Interview no 16, 17

<sup>16</sup> Interview no 16

<sup>17</sup> Interview no 9

<sup>18</sup> Interview no11

<sup>19</sup> Interview no 5

as such suggests that not only prospect for financial benefits are related to these contracts, but powerful positions in the local context as well. A FAO and WFP contracted business man could further tell that the few Somalis who the UNDP cooperate with, are seen by UNDP to represent a certain community and this makes these few representatives very powerful as they are the ones to set the agenda for UNDP's activities<sup>20</sup>.

Another NGO worker explained that it is these local NGOs who identify projects for UNDP and therefor control who the agency's recipients will be. He further suggested that the transfer of power to the local NGOs as such put them in a powerful position in the areas they represent or are given work. The local communities are left with little influence as they do not even have the power to raise complaints about the work done, or not done, in their areas, he concluded<sup>21</sup>.

The claim is backed by Anderson as she argues that carelessly applied aid can work to disempower the local people from being in charge of their own destiny, which is suggested to be a risk with UNDP's activity of contracting. Both Anderson (Anderson 1999) and Wam (Wam 2005) back up under the claim made by the respondent as they recognize how aid can have damaging effect on the local community where it is applied if the impact on the social structures and power relations are not recognized.

Great concerns were expressed by a NGO worker with the narrow picture UNDP had of the powers that lie in their contracts<sup>22</sup>. When asked about problems like these, a representative for the UNDP however explained that when UNDP award contracts, they cannot take power relations into consideration as their regulations are mostly based on competitive bidding. Terrorists, he said, are easy to handle as they are on a specific list and will be left out of the tendering process. The complex clan system, he continued, is not and is therefore hard to take into consideration. If someone is the best bidder, he will therefore get the contract, irrespective of clan belonging, he related<sup>23</sup>, suggesting that UNDP's regulations are insufficient in their ability to control the risk related to the impact of their contracts.

The powers inherent in these contracts, played out in the Mogadishu context where UNDP have to rely on a few actors to set the agenda for UNDP in that community, as such stand at

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<sup>20</sup>Interview no 10

<sup>21</sup> Interview no 7

<sup>22</sup> Interview no 2

<sup>23</sup>Interview no 3

risk, according to Anderson and Wam, of reinforcing divisions between groups or even work to escalate a local conflict. Findings also suggested that the profit from being contracted is seen as an important source of income in Mogadishu, with the potential of enabling the contracted partners to build up their businesses. UNDP's regulations however, exert little control over the risk related to the transfer of such powers and benefits in their contracts.

### **4.2.3 Lack of transparency**

Further, when I approached UNDP to get information regarding their contracts, it proved hard to get any insights and I was instantly told that because of the security risk related to actors being associated with UNDP, they did not publish the names of the NGOs and businesses they engaged with. The hostile environment in Mogadishu and UNDP's political role as supporters of the TFG was argued to predicate UNDP to take security measures to protect their partners with the result being a lack of transparency into their contracts<sup>24</sup>.

Several external respondents were concerned with how UNDP's remote management and contracting affected the image of the agency in Mogadishu. A former consultant for the agency stated that "I do not know about anything specific, but everyone thinks it is going on"<sup>25</sup>, referring to corruption.

A symptomatic concern among the interviewed business men also related to an impression that corruption was an inherent part of doing business with the UNDP.

An interview with a member of the Eastleigh Business Committee revealed that he was not familiar with corrupt routines within the UNDP personally, but he was aware that the people who got these contracts were the most corrupted men in the normal business<sup>26</sup>. A business man who already had contracts for both FAO and WFP, further said he had tried to get UNDP contracts, but that his relations to UNDP staff were not good enough. He was under the impression that if you do not have close relations to the people issuing the contracts or at least have done projects for the UNDP before, you are not actually in the competition of getting the contract<sup>27</sup>. A non-contracted business man echoed the same concern when he answered the main obstacle to getting contracts with the UNDP to be the "need to know someone in the

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<sup>24</sup> Interview no 3

<sup>25</sup> Interview no 8

<sup>26</sup> Interview no 16

<sup>27</sup> Interview no 11

UNDP office”. He further claimed that “lack of transparency and corruption serves an interest within the UNDP to keep things the way they are. Because their jobs depend on continuation of the conflict, they are not interested in creating peace or a secure environment”<sup>28</sup>. “All Somali people think UNDP is corrupted”, another business man claimed and continued arguing that in UNDP “there is corruption from A-Z!”<sup>29</sup> The insights confirm the suggested impression that there exists an understanding among Somalis that corruption is an inherent part of dealing with UNDP and their contracts.

The consultant went on to further explain that because so much money goes to the people working for UNDP, either through fancy cars, their children’s school fees and expensive homes, or even corruption, very little money actually reaches Somalia and most Somalis do not feel that UNDP Somalia work to serve them. This problem is further exacerbated by the fact that UNDP Somalia is located in Kenya and therefore employs foreigners to a higher extent than in normal circumstances where the agency is locally situated. “Most Somalis therefore feel alien to UNDP as they are far away unless you know someone within the agency, which very few and only the more powerful people do”<sup>30</sup>, the consultant explained. The claim is backed by Hansen by his argument that institutions in Nairobi tend to be met with skepticism in Somalia(Hansen 2008). The lack of transparency and remote management is thus suggested to have implications for the perception local Somalis have of UNDP and the accountability of their work.

A NGO worker further suggested that “because of the huge sums of money being put into projects in Somalia, corruption is a big problem among both international and local staff”<sup>31</sup>.

An interview with a formerly contracted business man revealed that he thought what was going on in UNDP was shameful; “it is all about connections; it is not possible to get a job without connections”. He could further relate that he had had one contract three years ago for building a road, which he had paid to get. At the time, one of the shareholders in his company was the EU representative for Somalia, which provided him with the right connections, he revealed. When the respondent later tried to get other contracts, he was unsuccessful as he did not have enough money to pay off the local staff. Without money, he argued, you do not get

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<sup>28</sup> Interview no 10

<sup>29</sup> Interview no 9

<sup>30</sup> Interview no 8

<sup>31</sup> Interview no 7

these contracts<sup>32</sup>. Another business man who was sub-contracted to do a UNDP project could tell how he had got the contract. Three shares were split, he told; one went to the contractor, one to the sub-contractor and one to the local UNDP staff who facilitated the contract<sup>33</sup>. The claims made by these business men are however merely allegations and not proofs that corruption take place. They do however build up under the impression that there is a perception of corruption to be an inherent part of doing business with UNDP, leading the respondent to tell these stories. The insights also suggest that UNDP's routines are prone to corruption and that their partners are familiar with such activities.

A UNDP worker recognized this problem related to the harsh environment the local staff worked in and that it could be especially hard for Somalis to work there. "UNDP therefore tries to avoid their staff being the sole intermediates in the field to protect them from pressured situations", he could tell. The UNDP worker acknowledged that interest issues may sometimes be blurred, but at the same time argued that UNDP needed to rely on interpersonal relationships in their operations and that this would inevitably pose a risk. The management of these risks however, he could assure, are brought to the risk manager and the accountability escalate according to the level of risk. It is a bureaucratic but well-functioning system, he could tell<sup>34</sup>. The use of bureaucratic risk managers indicates a focus on the risk corruption poses to UNDP's accountability towards their donors, rather than the implications it has for their beneficiaries. The same problem is recognized by Barakat and Chard when they argue that accountability mechanisms are more suited to please donors by controlling the movement of money than the social impact of the venture, as such neglecting the accountability towards the recipients(Barakat 2002).

The hostile security environment for UNDP's partners in Mogadishu has as such resulted in a lack of transparency into UNDP's contracts and partnerships. Remote management and lack of insight into the agency's operations has contributed to an impression of corruption going on and lack of trust in both UNDP staff and in their partners. Concerns were expressed with the risk this implied for the legitimacy and local ownership of UNDP's activities and projects. Findings further suggested that UNDP's mechanisms to manage the risks related to corruption did not address the implications this had for their accountability towards their beneficiaries.

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<sup>32</sup> Interview no 9

<sup>33</sup> Interview no 13

<sup>34</sup> Interview no 4



## **4.2 Stakes by UNDP's lack of presence**

Literature have also proposed that there can be risks related to the challenges of monitoring the projects as well as the activities of their contracted partners, caused by UNDP's inability to be on the ground. The next objective of the research was therefore to explore what is put at stake by UNDP's lack of presence in Mogadishu. Two main findings were made; it was found that UNDP's monitoring was at times insufficient, putting their control over the outcome and quality of the projects at stake. Further, findings also indicated that UNDP transfer much of the responsibility related to operating in Mogadishu through their contracts and that their inability to monitor the activities of their contracted partners on the ground therefore have implications for their ability to control over who is taking benefit from their funding. The control over their own finances is as such left at stake.

### **4.2.1 Quality control**

The security regulations that restricted UNDP's access to Mogadishu were the object of great frustration when interviewing a UNDP worker. Because the area is considered a phase 5 security zone, he explained, the New York Head Quarter needs to agree and issue permission for any UN staff travelling there. Only very few and essential trips are therefore done, he explained<sup>35</sup>, suggesting, like Hancock does, that a big bureaucracy can work to hinder the work for the humanitarian actor work (Hancock 1989). Another UNDP worker explained that their lack of presence makes the monitoring and evaluation of their work difficult as their operations are structured for the agency to be present in the recipient country. The fast turning level of conflict in the area and the security concerns that follow also makes the monitoring costly<sup>36</sup>, he added. Even if trips are done, yet another UNDP worker complained, this is very time consuming and needs to be planned in advance. Language barriers also make communication difficult, and complicate training and capacity building, he argued<sup>37</sup>, recognizing like Hansen that the use of international staff can make it challenging to ensure

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<sup>35</sup> Interview no 1

<sup>36</sup> Interview no 4

<sup>37</sup> Interview no 3

information flow between local and higher level, which is an important feature for capacity building(Hansen 2008). It is as such established that UNDP has a very restricted access to Mogadishu which pose challenges for their ability to monitor and evaluate their work.

The first respondent from UNDP could however explain that the agency contracts companies in Mogadishu to monitor the work done by their partners. Pictures, videos and reports are produced to certify that certain activities have taken place. The auditing companies are selected through competitive bidding and have the presence, and reports back to UNDP, he informed. When approached with the question of any problems of cooperation between the monitoring companies and implementing partners, the UNDP representative responded that most of these companies did not represent one clan and that this was therefore not a problem<sup>38</sup>.

In an interview with a NGO worker, it was nevertheless suggested that “non-delivery, level of verification done by external company, proper follow up of project and thorough implementation”, was put at stake by UNDP’s inability to monitor their own work in Mogadishu<sup>39</sup>. A formerly contracted business man could further reveal that he had never seen any proper monitoring in Mogadishu. Staff working for UNDP in Mogadishu had once come to his site and made a call to UNDP Nairobi, he could tell. The staff had however been guided by the contractor himself and he had told them what to say and paid them some money afterwards. There was no external monitoring, he could reveal and concluded “that’s normal life”<sup>40</sup>. A sub-contracted business man could also tell that a man was sent from UNDP after the project he was a sub-contractor for was finished. The man from UNDP came together with the primary contractor and reported what he was instructed to. This was all he reported back to UNDP, the sub-contractor revealed<sup>41</sup>. These claims suggest, as Hansen recognizes, that there is a possibility that scrutinizing bodies cooperate or have an interest in not doing their job properly(Hansen 2008). The findings also suggest that UNDP’s methods of monitoring, as recognized by Barakat and Chard (Barakat 2002) are more suited to please the donors by showing how the money is spent money in a superficial manner that to control the

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<sup>38</sup> Interview no 3

<sup>39</sup> Interview no 6

<sup>40</sup> Interview no 9

<sup>41</sup> Interview no 13

actual impact of their projects. The control over the outcome and quality of the projects is as such put at stake by the insufficient monitoring.

Head of a big NGO could give the example of a UNDP project on maternal hygiene where there was a problem with the verification of the intended impact. The intended impact was put at stake as the contracted NGO only delivered out the towels and did not talk to and inform the women about hygiene as they were supposed to. The intended change is therefore not likely to take place, the NGO worker explained. He further argued that it was the beneficiaries who were the ones left suffering from the bad job done by the NGO and the lack of proper monitoring by UNDP<sup>42</sup>.

The example shows how UNDP's monitoring mechanisms are insufficient to control the local impact of their projects and, just as Barakat and Chard identify, that this has implications for the accountability of UNDP's recipients (Barakat 2002).

Head of a big NGO operating in Mogadishu could also tell the story of a UNDP partner who had gone to a school supported by the NGO the interview represented, and asked the school committee to rehabilitate. The contracted NGO had then painted for about \$1000 but taken credit for the school's good condition. The local NGO had even got local people to sit in the classroom, pretending to be the school committee when they took pictures that were sent to UNDP. UNDP thereby promoted this as their own successful project, that they were building schools and employing people, and even posted these pictures on their web pages. About \$70 000 was put into project, and probably went straight into the pocket of the local NGO. With this the respondent wanted to show how that lack of or limited monitoring is a big problem in Mogadishu and that UNDP has no insurance of the quality of the projects they issue contracts for or even that they get done. The monitoring groups they use, he could further reveal, are local companies with no insurance of the quality of the work they do. As there is no proper capacity to monitor, he argued, it is wrong of UNDP to claim any success of their projects, or even of the projects taking place<sup>43</sup>.

A former consultant for UNDP also questioned the reliability of UNDP when they contract someone to do their work and someone else to monitor the work while these two entities might as well cooperate in the absence of any external monitors. He importantly pointed out

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<sup>42</sup> Interview no 6

<sup>43</sup> Interview no 7

that there is often more, financially, to gain from not sticking to the contract than to do so<sup>44</sup>. The remark suggest, along the lines of what was identified by MacGinty and Williams, that reconstruction assistance is a resource which various actors rationally will try and benefit from (Mac Ginty and Williams 2009) and which stand at risk of creating an interest in the conflict situation (Keen 1998).

The findings outlined above indicate that UNDP's mechanism and routines for monitoring do not sufficiently control the risks related to their activities. Because of their inability to be on the ground and monitor, they have to rely on external actors to do this, and insights suggested that control over the implementation, impact and quality of the project is put at stake. Backed by existing literature, the argument was proposed that this have implications for the accountability of the local recipients of UNDP's work.

Moreover, it was also proposed that funding from UNDP risk becoming part of what Hoffman and Weiss call an "aid economy" (Hoffman and Weiss 2006). Further findings related to UNDP's control over their finances will be the subject of the next section.

#### **4.2.2 *Financial control and transparency***

A representative for UNDP recognized that there were risks related to who they were contracting and explained that part of the problem has been the lack of a proper tool for interagency sharing of information about the contractors they use and their track records. This problem has however been addressed, he told, with the start-up of a database meant to contain the contractors used by all the UN agencies within the last 3-5 years. The database is intended to provide closer control on those who are behind the different companies, their performances, and enable comparison with the terrorist list. The UNDP representative could also inform about the use of a risk manager with internationally recognized risk management standards. All contracts are given to him and evaluated according to risk in terms of performance, terrorism and UNDP's reputation, the respondent could tell<sup>45</sup>. Another UNDP representative also identified the main risk related to contracting to be whether the actors are on the terrorist list, but importantly recognized that the agency's financial accountability was

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<sup>44</sup> Interview no 8

<sup>45</sup> Interview no 2

put at risk with the use of sub-contractors. The further down the line of sub-contractors, he recognized, the less accountability<sup>46</sup>.

UNDP do as such recognize that there are risks related to who they are contracting and measures have been taken by UNDP to ensure that their contracted partners do not appear on the terrorist list, and internationally recognized risk management standards are employed to manage further risks related to their contracts. The insights however suggest that the agency have limited control over their partners' practice of sub-contracting on the ground in Mogadishu which implies risk for their financial accountability and control over who benefits from their finances.

A respondent business man too recognized the risks related to sub-contracting, but argued that UNDP were in many instances causing the problem of sub-contracting themselves. Many contracts are given to NGOs registered in the donor countries with no real competencies to implement the projects, he could tell. The local NGOs who are eventually contracted to implement the projects are pushed down the line to sub, sub-sub or even sub-sub-sub-contractors and much control is lost along the way. The INGOS in these cases merely work as brokers between the UN agencies and the local agencies. Money, power and control are lost at every step down the line of mediators, he argued<sup>47</sup>, suggesting that UNDP create the problem of sub-contracting themselves by not going directly to the local NGOs and that this has implications for the further control over their finances; how they are spent and who are benefiting from them.

A NGO worker backed this understanding of the situation when he revealed how the practice worked. NGOs are contracted by the UNDP to reconstruct parts of Mogadishu, he told, and these NGOs then get the responsibility to subcontract and hire builders and everything that is needed to fulfill the project<sup>48</sup>. Another respondent was himself sub-contracted by a UNDP contractor and could confirm the suggested practice as he told that the initially contracted business man was not able to operate in the given area and therefore had to sub-contract the project<sup>49</sup>. Interview with a NGO recently contracted by the UNDP confirmed the insights when she told that UNDP provided guidelines regarding required procurements for the

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<sup>46</sup> Interview no 3

<sup>47</sup> Interview no 11

<sup>48</sup> Interview no 7

<sup>49</sup> Interview no 13

projects they were allocated but in the end it was up to the NGO to come up with the methods and conduct the necessary measures<sup>50</sup>.

The insights as such suggest that UNDP's routines for ensuring the accountability and handling the risk related to their contracts are insufficient and that their way of contracting put their financial control at stake. The lack of control after the primary contract indicates, like Barakat and Chard suggest, that their conditions for accountability are fixed towards satisfying the ones who control their budgets rather than their intended beneficiaries. By being able to show that their primary contracted partners, the ones the agency interact with themselves, are not listed on the terrorist list, UNDP will satisfy their donors. The conditions however leave out the control of what goes on after the primary contract or over the inherent risks related to being able to operate in Mogadishu.

UNDP's lack of presence on the ground means that they transfer all risk related to the implementation of their work to their partners and their sub-contractors. By contracting partners unable to operate in the given area and as such force upon the contractor to sub-contract and also to hide who they are dealing with, the accountability and transparency of UNDP's finances is put at risk of being severely damaged as Barakat and Chard's also identify to be a consequence of international actors' failure to adhere to the culture and properly interact with local actors (Barakat 2002).

A former consultant for the UNDP was further under the impression that because of UNDPs powerful position in Somalia, with no one claiming or controlling any of their work, the Somalis cooperating with them are left in a vulnerable position with little influence or bargaining power. The contractors are therefore left with little choice but to sign the contracts according to UNDP's procedures. Although there are conditions in the UNDP contracts of not sub-contracting anyone on the terrorist list, he said, the terrorist lists develop all the time, and the contractors are forced to hide their partnerships from fear of suddenly appearing on this list<sup>51</sup>. A former consultant for UNDP was also concerned with how the contractors are obliged to deliver and at the same time not to negotiate with Al-Shabaab and Hizbul Islam. All the risk is therefore transferred to the contractors, he too recognized. As interaction with such groups is inherent when operating in Mogadishu, the contractors are forced to lie by declaring

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<sup>50</sup> Interview no 14

<sup>51</sup> Interview no 8

that they do not pay anything to opposition groups and transparency is put at stake<sup>52</sup>, he argued. The same observations were made by a business man who had previously had a contract with UNDP. “Even though UNDP tell the contractors that they cannot interact financially with Al’Shabaab, you are forced to do so in order to implement the projects you are contracted to do”, he could tell<sup>53</sup>.

The suggested nature of the relationship between UNDP and their implementing partners, as such resemble that which Hancock identifies, where the humanitarian actor finds itself in a powerful position with no one holding them properly accountable(Hancock 1989). Because of the uneven relationship, the UNDP can transfer the risk related to their operations to the contracted partner and the contracted actor is left with little choice but to claim to adhere to UNDP’s principles from fear of losing the contract. The practice leads to further loss of accountability and transparency into UNDP’s operations.

Interview with a Somali business man further revealed that he was under the impression that even though the UNDP projects did have some positive influence in Mogadishu, the contracts also lead to more income for the insurgents<sup>54</sup>. A representative from a contracted NGO could also inform that UNDP did not control whether they made payments in check points, but emphasized that they avoided working in areas controlled by Al-Shabaab<sup>55</sup>. A majority of the respondents who had been in and operated in Mogadishu recently however claimed that it was hard to operate in Mogadishu or do business there without paying taxes. A NGO representative argued that it was all about territorial control and that these check points are a way of ensuring that people apply to the rules and laws of the group ruling in that territorial area<sup>56</sup>. A sub-contracted business man could reveal that he had to pay to the administration of the area where he operated. Also when transporting, he had to pay at various check points<sup>57</sup>. Interviews with other business men revealed the same comprehension of the situation. They were all under the impression that it was not possible to do business in Mogadishu without paying taxes in check points or other places.

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<sup>52</sup>Interview no 8

<sup>53</sup>Interview no 9

<sup>54</sup> Interview no 12

<sup>55</sup> Interview no 14

<sup>56</sup> Interview no 2

<sup>57</sup> Interview no 13

One business man explained that even if you manage to enter the Bakara<sup>58</sup> market without paying taxes, you have to pay in order to be in the market. If you want to do a project elsewhere in Mogadishu you also have to pay for security from the group. If you do not pay, he continued, they can claim that you support the TFG and therefore kill you or people involved in the project. Payment in check points is also an inherent part of any transport. No one passes without paying, he tells, as the income is the livelihood for the guys operating the check point<sup>59</sup>. “Everyone has to pay in order to enter Al-Shabaab controlled areas”, a representative for a NGO operating in Mogadishu explained. “There is no fixed rate or tariff, he said, but everyone has to pay”. He explained further that it does not help to play the “clan card” as the Al-Shabaab tries to diminish clan structures as this hinders them from gaining power<sup>60</sup>. Payments in check points seem as such to be an inherent risk of the actors moving around and operating in Mogadishu.

The findings have suggested that because of UNDP inability to be on the ground, they transfer the risk associated with implementation and operations in Mogadishu through their contracts. UNDP’s control mechanisms however stop with their primary contractors and control over who is taking benefit from their finances is as such put at stake. Findings have further suggested that an inherent risk when operating in Mogadishu to be that of dealing with actors on the terrorist list, either through sub-contracting or payments in taxes and check-points. The suggestion is backed by Hoffman and Weiss as they identify how international aid stand at risk of becoming part of an “aid economy”, where people will seek to take advantage and benefit from (Hoffman and Weiss 2006) and in worse case, like Maren observed from his experiences in Somalia, that local power brokers will rationally benefit from the foreign aid with the consequence of prolonging the conflict(Maren 1997).

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<sup>58</sup> Bakaara market lies at the heart of Mogadishu and is said to be the “nerve center of Somalia business” Barakat, S. C., M (2002). "Theories, rhetoric and practice: recovering the capacities of war-torn societies." Third World Quarterly **23**(5): 18.

<sup>59</sup> Interview no 10

<sup>60</sup> Interview no 7



### **4.3 Risks and implications of UNDP's contracting**

To do a brief re-cap of the foregoing sections, findings have suggested that when UNDP's contracts are played out in the Mogadishu context, there is limited competition for them which work to favor the big and established actors; there are both financial benefits and powers related to the contracts which have the potential of influencing the contracted actor's position; and there is a lack of transparency into who UNDP contracts which have implications for Somali's perception of the agency.

Further, it was found that the monitoring of UNDP's projects in Mogadishu was insufficient, putting the control over the implementation, quality and impact of the projects at stake. Moreover, UNDP's financial accountability was found to be inadequate, transferring the risk related to the implementation and operation in Mogadishu to their contracted partners, and as such leaving the control over who is benefiting from their finances at stake.

Although the different findings have been addressed separately, insights, backed by literature, suggest that the risks and implications of them are interrelated.

One NGO worker gave an example of how the risks related to the big benefits of being contracted and the limited monitoring relate to each other. The respondent was skeptical to the lack of control UNDP had of their work as he recognized that contracts give the partners or contractors a special place and position in the local community. "There are political aspects such as clan interest or self-interest when doing development", he emphasized, and further argued that "these issues need to be taken into account". The non-presence of UNDP however, seriously undermines their ability to account for and control who are for example the gate keepers and beneficiaries of the projects, he suggested. There is definitely a need to assist the Somali people, he continued, but you also need to know how this is done and be able to evaluate that you do not do harm. "It is better to do less and be able to account for the work done, both towards beneficiaries and donors", he stated<sup>61</sup>.

The risk that UNDP's projects can end up doing harm will as such increase by the powers transferred in UNDP's contracts and their limited monitoring. The argument is backed by both Anderson and Wam who identify how aid can have damaging effects when applied carelessly (Anderson 1999) or without sufficient appreciation of the social structure where the

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<sup>61</sup> Interview no 5

project is implemented (Wam 2005). The limited competition which works to favor the bigger actors is also likely to enhance the risk of the projects having damaging effects. By favoring one group of actors and also giving them a special position in a community without any monitoring or control over who gets to benefit from the projects, UNDP's contract-related interface stand at risk of, along Wam's line of arguments, causing inter-group hostilities. Perhaps even more important, Wam recognizes that merely a perception among the local population that one group is privileged over another stand at risk of having damaging effects(Wam 2005).

Another NGO worker further complained that “development is not just about building, it goes deeper, and UNDP fails here. Development is about attitudes, contribution, and ownership. If this does not exist, schools are likely to be diminished. Community participation is needed, but there is no ownership with UNDP”, the respondent argued. The NGO worker further explained that because the contractors become rich and powerful, the impression of corruption among the local population increases, suggesting that UNDP's contracting have negative effects on their image. This again weakens the local population's trust in the international community; people do not take them seriously because of their cooperation with corrupt business men, the NGO worker argued. The only way to avoid this, he further suggested, is to open up the tendering process to make it transparent for everyone. UNDP also need to involve the local communities to evaluate the quality of their projects and to become active parts of their own development process<sup>62</sup>, the NGO worker advocated.

The insight suggest that the benefits and limited competition for the contracts which have the potential effect of making a few contractors rich and powerful, together with a lack of transparency into UNDP's operations, can create a negative image of the agency. The lack of trust among the local recipients, together with limiting mechanisms of monitoring and lack of presence will have major implications for the accountability of UNDP's work and the perception local Somalis have of the agency. Moreover, the respondent importantly recognize that lack of accountability and negative perception of UNDP stand at risk of hurting the ownership and legitimacy of their projects as development goes deeper than what the superficial monitoring-reports produced for UNDP can cover.

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<sup>62</sup> Interview no 7

The insight as such also reflects Hansen's recognition that "institutions based in Nairobi are met with widespread skepticism in Somalia" (Hansen 2008). Further, the argument is to a certain extent backed by Collier when he argues that there is a need for the local citizens to take an active part in the evaluation of projects (Collier) and by Hansen as he emphasizes that there is a need of ensuring that there is information flow from a local level to a higher level, as local critique is essential in order to ensure the accountability of project (Hansen 2008). Moreover, Barakat and Chard also recognize that the type of actors who the humanitarian actor partner with as well as their routines for monitoring will have implications for the accountability of their work (Barakat 2002). The argument that factors related to UNDP's contracting have implications for the accountability of UNDP's work and the perception local Somalis have of the agency seems as such to be sufficiently backed by the literature.

In yet another interview, concerns were also expressed with a tendency of some organizations and businesses getting bigger and dominating the contracting scene. The respondent told about the race among organizations in Mogadishu to attract funding and how this compromises their contribution to the local community. They sell themselves by claiming to be able to do close to everything in all areas, and, because of the favoring of the big and established organizations, often with a history of prior cooperation, the output gets compromised. The tendency is that a few organizations get a big share of the contracts in a variety of thematic and geographical areas. The quality of the projects are therefore likely to be compromised as one NGO is not likely to be competent in all areas of development work and not even able to operate everywhere in the complex social structure of Mogadishu, he explained<sup>63</sup>.

The example show what can happen when there are benefits in being contracted, enabling contractors to build up their businesses and also a limited competition for these contracts which favors these big actors. By relying on the big and established actors without paying attention or being able to sufficiently control the implementation and activities of these partners, not only the outcome is compromised, UNDP also open up for actors to take advantage of the situation to make profit. Keen recognize the same problem when he addresses the economic functions of violence in civil wars and argue that actors will rationally

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<sup>63</sup> Interview no 11

seek to benefit from the situations and that there is therefore a risk that international aid, or the contracts in this case, will work to support an interest in the conflict situation by allowing actors to sufficiently benefit from it(Keen 1998).

Findings that UNDP lack control over sub-contracting and operation-related risks such as payments of taxes and check-points in Mogadishu, will work to further enhance this risk. According to Keen and other authors of the political economy line of literature, the finances related to UNDP's contracts as such stand at risk of either support an interest in maintaining the status quo or to even fuel the conflict.

## 5. Conclusion

This research into the activities related to UNDP's contracting in Mogadishu has revealed a limited control over the risk related to their activities and the implications of their interface in Mogadishu. Contrary to the accountability framework which UNDP claim to adhere to, their routines and mechanisms fail to produce a controlled outcome of their contract-related interference in the context of Mogadishu.

Literature which is critical to the broadened peace-building agenda suggested that there were risks and implications involved when doing development in zones of conflict. It was suggested that the lack of functioning institutions can make the implementation problematic and points were made to the potential negative effects aid projects can have when applied carelessly into such environments. Furthermore, an accountability deficit was suggested to exist, exempting the work done by humanitarian actors from proper scrutiny. Insights into literature on the political economy of conflict also suggested that there are risks related to international aid being taken advantage from by rational actors who seeks to benefit from the situation with the potential effect of supporting an interest in the conflict. Some authors even suggested that the finances can work to fuel the conflict when directed by local power brokers or actors in the conflict.

The first part of my analysis revealed that several aspects of UNDP's methods of contracting in the context of Mogadishu had implications for how the contracts were, or perceived to be played out. Limited competition favoring the big actors, benefits and powers potentially influencing the contracted actor's financial and social position, and lack of transparency leaving an image of the agency as being corrupted were the main findings.

The next part of the analysis went on to explore what was put at stake by UNDP's lack of presence on the ground in Mogadishu. Findings indicated that UNDP's routines for monitoring the contracted projects were insufficient, leaving them with little control over the implementation, quality and impact of the projects. Further, financial control was also suggested to be put at stake as findings indicated that UNDP transfer all or most risk related

to implementation and operation in Mogadishu to their contracted partners with inadequate mechanisms to control their activities.

Risks were identified related to the contracted projects having potential negative effects on the basis of the limited competition that compromise the importance of local knowledge, the powerful position the partner is given in the local community and the monitoring mechanisms which do not sufficiently control the implementation and impact of the projects. UNDP was therefore found to have little control over who gets to benefit from their projects or how their contracts impact on the local power structures. The argument was backed by Anderson and Wam who recognize that carelessly applied aid can work to support local inter-group conflicts and stand at risk of escalating the conflict. Wam also recognized that merely the perception of one group being preferred over another, may lead projects to have damaging effects.

Insights also indicated that there were risks related to big actors taking advantage of the limited competition and the lack of monitoring for their own benefits. The quality of the projects was suggested to be compromised and, along the lines of the political economy literature, the funding was found to stand at risk of being taken advantage of and supporting an interest in maintaining the status quo. Findings also indicated that UNDP transfer the risk related to operating and implementing projects in Mogadishu to their contracted partners with limited mechanisms to control their finances. Insights, backed by various reports on Mogadishu, suggest that there are risks that the finances will become part of the war economy, either through sub-contracting, payments of taxes or in check-points.

Last but not least, the findings suggested that limited competition, big benefits of being contracted, lack of transparency, limited monitoring and lack of presence all work together to have implications for UNDP's accountability towards their recipients and for how local Somalis perceive the agency. Insights also suggested that the negative perception of UNDP stand at risk of hurting the ownership and legitimacy of their projects.

The research into UNDP's contract-related interface in Mogadishu has as such suggested that there are risks related to their projects having damaging effects on the local communities where they are implemented and that various actors will take advantage of their finances for their own benefit. Furthermore, the findings indicate that UNDP's contract-related interface in Mogadishu have great implications for the accountability towards their Somali recipients and for how the agency is being perceived. This, it is suggested, stand at risk of widening the gap

between the agency and their recipients, putting the legitimacy and local ownership of the projects at risk.

It is on this basis that the research draws the conclusion that UNDP fail to produce a controlled outcome of their contract-related activities in the context of Mogadishu.

As a final remark, I would like to quote one of the respondent NGO workers saying that:

*“...there exists not only a responsibility towards the funding provided by the donors, but also to the people of Somalia. An inherent consequence of operating in Mogadishu will be that some of the money will end up in the war economy. The way we need to approach this problem however, is to aim for greater quality control of the operating agencies, rather than to pull out”<sup>64</sup>.*

By that I mean to emphasize that through the insights provided by this research the intention of the author is not to argue that the best solution is to pull out of Mogadishu. There is however a need to improve the agency’s routines in order to enable a controlled outcome of their operations. The way to do this, I wish to suggest, is to extend the responsibility of the agency into the grey-zones which the research have explored and to ensure proper scrutiny by local institutions.

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<sup>64</sup> Interview no 5

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